

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24/25
Responses to the Department's Seventh Set of Information Requests

Request No. DTE 7-38 (Gas):

Refer to the testimony of Karen M. Asbury at 5. Please describe in detail all differences between the MBA method and CGAC tariff approved in D.T.E. 01-56 as compared to the MBA method and CGAC tariff filed in the instant docket.

Response:

The difference between the present and proposed gas cost allocation methods lies primarily in the determination of base demand costs and the allocation of remaining demand costs. The method currently in place was established in Docket No. DTE 98-51. The current method of defining base use supplies requires the identification of specific supply contracts and transportation contracts to serve the base load portion of the supply curve. The proposed method simply uses the average fixed costs of pipeline-delivered supplies. The current method assigns remaining demand costs using a monthly Proportional Responsibility (PR) weighting factor to assign costs to months and then assigns those costs to classes on the basis of monthly sendout within each month. The proposed method allocates remaining demand costs to classes first on the basis of their remaining design day demand, i.e. their design day demand less the base demand served by base supplies. It then employs a PR allocator to assign the class's remaining demand costs months. The attachment to Response AG-3-6 provided a quantitative comparison between the current and proposed gas costs allocation methods. The proposed method is identical to the method approved by the Department for use by the Berkshire Gas Company in Docket No. DTE 01-56. It is also consistent with the Department's rules regarding capacity assignment on the basis of peak day usage.

Person Responsible: James L. Harrison